

Exhibit 6

VL1988.B 44-1987
Tfs 1988, 581

Western High Court's judgment of September 12, 1988, j nr. B 44-1987
Interest rate questions - Loan arrangement - Broker
company - Obsolescence

- ♦ The Western High Court accepted a taxpayer's claim that some tax claims regarding the income years 1978 and 1979 were time-barred because the taxpayer had been denied the right to deduct interest expenses relating to a loan arrangement with an exchange company for the purchase of treasury bills. The High Court found that the tax authorities, on the basis of SD's circular of October 29, 1979 on loan arrangements, had had reason to immediately raise the tax claims in question, instead of awaiting the outcome of an investigation concerning the exchange company in question.

Western High Court

Dissent

In a case brought by a taxpayer against the Ministry of Taxation before the Western High Court, the Western High Court has overturned the decision made in 1986 by the Directorate of State Tax and the Council of Assessment, according to which the taxpayer was denied the right to deduct the interest expense relating to a loan arrangement with a money exchange company with effect for the income years 1978 and 1979. The loan was taken out to finance the purchase of treasury bills. The applicant claimed that the claim for residual tax for the years in question raised as a result of the amended tax assessments was time-barred under section 1(4) of the Limitation Act of 1908.

The majority of the Western High Court found that the circular issued by the Directorate of State Taxation on October 29, 1979 concerning loan arrangements of the nature in question had given the tax authorities reason to immediately raise the tax claims in question against the applicant instead of awaiting the results of the investigations concerning the exchange company in question, which only began in 1983. The Western High Court therefore found in favor of the applicant.

The Ministry of Taxation was ordered to pay DKK 13,500 in legal costs. One judge dissented.

This judge considered that there was no basis for assuming that the tax authorities had been negligent in initiating and conducting the investigation at the exchange company.